

## **Historic, Archive Document**

Do not assume content reflects current  
scientific knowledge, policies, or practices.





aS21  
.R44U553

# The Economic Research Service in 1990





## Economic Research Service, planned resources, FY 1990

Division	Funds	Staff- years
	<i>Million dollars</i>	<i>Full-time equivalents</i>
Commodity Economics	9.6	191
Agriculture and Trade Analysis	7.8	156
Resources and Technology	9.4	121
Agriculture and Rural Economy	10.7	169
Other*	14.2	212
Total	51.7	849

\*Includes ERS's Data Services Center, Office of the Administrator, unallocated resources, indirect costs, and parts of USDA's Economic Analysis Staff, Economics Management Staff, and Office of Energy.

- Effects of Government policies and programs on farmers, rural residents and communities, natural resources, and the public.
- Organization and institutions of the U.S. and world agricultural production and marketing systems, natural resources, and rural communities.

ERS-produced information is made available to the public through research monographs, situation and outlook reports, standardized data products in electronic media, professional and trade journals (including *The Journal of Agricultural Economics Research*), magazines (including *Agricultural Outlook*, *Farmline*, *National Food Review*, and *Rural Development Perspectives*), radio, television, newspapers, and frequent participation of ERS staff at various public forums.

ERS has four program divisions—Commodity Economics, Agriculture and Trade Analysis, Resources and Technology, and Agriculture and Rural Economy—that carry out the four principal functions of ERS: research, situation and outlook analysis, staff analysis, and development of economic and statistical indicators. Research and economic and



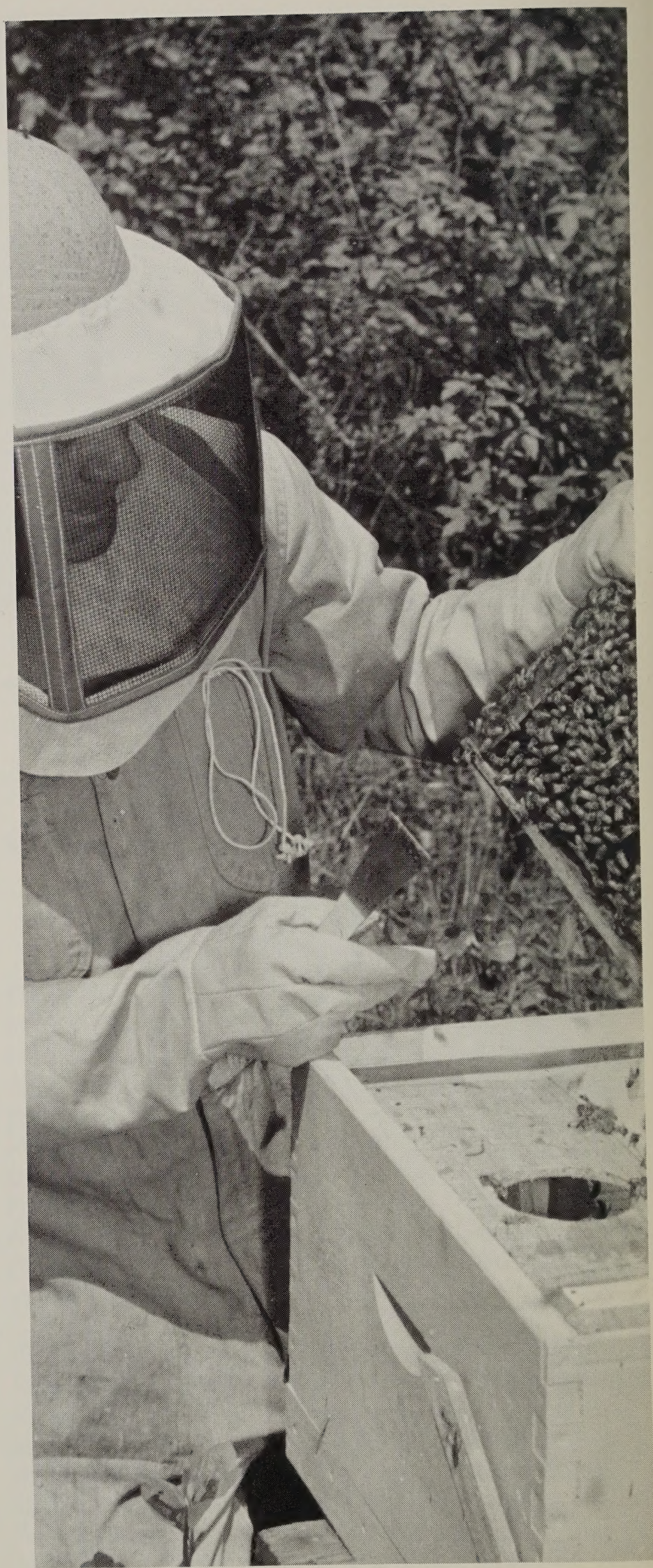
statistical indicators provide the knowledge base and the data base for the situation and outlook and staff analysis functions. The products of the situation and outlook analysis function are periodic reports that analyze the current situation and forecast the short-term outlook for major agricultural commodities, agricultural exports, agricultural finance, agricultural resources, and world agriculture. Staff analysis entails assessments of issues requiring policy decisions by the administration and Congress.



USDA

John E. Lee, Jr.  
ERS Administrator





Grant Heilman



## Commodity Economics Division

***T**he Commodity Economics Division (CED) carries out a program of analysis designed to improve public and private sector understanding of U.S. and world markets for agricultural products.*

This entails activities in three major areas including: commodity supply, demand, and price monitoring and forecasting; analysis of the structure, conduct, and performance of the major national and international commodity markets; and analysis of national and international commodity marketing—from the U.S. producer to domestic and foreign consumers and from the foreign producer of imported products to the U.S. consumer.

In 1990, CED plans to analyze commodity developments and disseminate results through regular outlook reports, special reports as market developments warrant, yearbooks, presentations, and responses to public information requests; conduct research on the structure, operation, and performance of the major commodity markets in alternative policy settings and research on investment and competition in domestic and foreign food marketing industries; respond to requests for special studies and staff analyses including congressionally mandated studies of commodity policy and program issues; and develop and maintain data bases and models



to improve analyses, forecasts, and projections.

CED comprises a Situation and Outlook Coordination Staff and five branches—Livestock, Dairy, and Poultry; Crops; Specialty Agriculture; Food Marketing and Consumption Economics; and Commodity Trade Analysis.

The **Situation and Outlook Coordination Staff** is responsible for coordination of outlook activities and clearance of outlook reports produced within the division as well as coordination of agency outlook activities across divisions. This involves coordinating ERS participation in department activities as well as coordinating World Agricultural Outlook Board clearance of all ERS reports; directing preparation of the monthly *Food and Agricultural Outlook Update*, *Agricultural Outlook*, *Baseline*, and *National Food Review* publications; coordinating the scheduling and preparation of outlook briefing materials for the USDA Offices of the Secretary and the Assistant Secretary for Economics; directing ERS-agribusiness outlook conferences; and directing ERS input into the regional and national agricultural outlook conferences.

In 1990, the staff plans to publish *Agricultural Outlook* and *National Food Review* as well as prepare the monthly *Food and Agricultural Outlook Update* for use within USDA; coordinate outlook briefings for ERS staff and the USDA Office of the Secretary; coordinate and participate in ERS regional and national agricultural outlook conferences; provide ERS staff with daily current intelligence about agricultural markets from various news services; participate in ongoing staff analysis projects; review all ERS outlook reports; and work with the Crops Branch to coordinate ERS *Baseline* projections work.

The **Livestock, Dairy, and Poultry Branch** provides research, staff analysis, situation and outlook information, and statistical information on all major foreign and domestic livestock (beef, sheep, pork, dairy, and poultry) issues. The branch's program encompasses the economic analysis of



production, marketing, and distribution systems for individual commodities as well as cross-commodity relationships within animal agriculture and between animal agriculture and other commodities, general agriculture, and the macroeconomy.

In 1990, the branch plans to analyze developments in the U.S. and world markets for livestock products, to be published in 6 *Livestock and Poultry Situation and Outlook Reports* (plus 12 newsletter supplements), 4 *Dairy Situation and Outlook Reports*, 11 *Agricultural Outlook* issues, and other agency periodicals; contribute to the monthly *Food and Agricultural Outlook Update* and semiannual *Baseline* projects; participate in the Interagency Commodity Estimates Committees for red meats, poultry, and dairy and the monthly *World Agricultural Supply and Demand Estimates* process; publish commodity background bulletins to support 1990 agricultural legislation; provide staff analysis of policy and program issues for congressional staff and department decisionmakers; publish analyses of the impacts of trade liberalization on the livestock industry; continue development and refinement of supply, demand, and price forecasting methods and models to support outlook staff analyses and research; collect and analyze data on dairy, beef, sheep, and hog costs of production by size of farm and region and by degree of enterprise specialization using the Farm Costs and Returns Survey; analyze dairy production, marketing, and Federal dairy policy; develop and improve a branch data base and reporting of livestock and meat statistics; analyze and report factors affecting price relationships, margins, structure, and location of livestock and dairy production, processing, and marketing firms; and provide selected assessments of the demand for livestock products.

The **Crops Branch** is responsible for providing research, staff analysis, and outlook information on the major field crops. The program involves analyzing production, marketing, distribution, trade, and use of the individual commodities as well as



cross-commodity relationships within the crops sector.

In 1990, the branch plans to analyze developments affecting the major field crops to be published in 19 outlook reports for cotton and wool, feed grains, oil crops, rice, and wheat; contribute to the monthly *Food and Agricultural Outlook Update*, *Agricultural Outlook* (11 issues), and *Farmline*; contribute to the semiannual *Baseline*; participate in the Interagency Commodity Estimates Committees for cotton, wool and mohair, oilseeds, feed grains, wheat, and rice; contribute to the monthly *World Agricultural Supply and Demand Estimates* process; conduct special policy and program evaluations for major field crops to support development of the 1990 farm bill; analyze the impact of trade liberalization on the crop sector; monitor the transportation and storage situation and contribute to crop outlook reports; develop crop data bases to support situation and outlook work and applied research; update and revise industry basebooks for major commodity sectors (barley, corn, rice, sorghum, sunflowers, and wheat); continue research on the structure, conduct, and performance of the crops sector, including publishing reports and articles on the structure of the flour milling industry, utilization of byproduct feeds, acreage response, cotton yields, rice marketing loans, planting flexibility, competitiveness of U.S. grain in world markets, and evaluation of a marketing loan program for soybeans; prepare staff analyses on policy and program issues related to the crop commodities; conduct research on commodity policies and programs, including program effects on acreage response, gains and losses from farm programs, and use of futures and options in lieu of Government programs; conduct and publish a report on a current study of crop insurance in the United States; conduct surveys and publish results of cotton ginning costs and milled rice distribution patterns in the United States; continue to monitor activity related to generic certificates and publish periodic updates on developments in the area; and initiate studies of the structure of selected crop production sectors using special



data tabulations from the Census of Agriculture.

The **Specialty Agriculture Branch** is responsible for collecting, analyzing, and reporting information on the supply, demand, pricing, marketing, processing, and trade of specialty agriculture commodities. The commodities covered include fruits, vegetables, sweeteners, tobacco, tree nuts, aquaculture, industrial crops, and tropical beverages (coffee, tea, cocoa). Emphasis is on providing information on the economic, regulatory, technological, trade, and public policy and program issues in both a domestic and international context.

In 1990, the branch plans to provide supply, demand, and price outlook information in situation and outlook reports and yearbooks covering fruit and tree nuts, vegetables and specialty crops, tobacco, sugar and sweeteners, and aquaculture as well as in other periodicals such as *Agricultural Outlook*, *National Food Review*, and *Farmline*; contribute to the monthly *Food and Agricultural Outlook Update* and *Baseline* activities; publish background information bulletins for the major specialty commodities to support the 1990 farm bill debates; analyze impacts of trade liberalization for specialty commodities; provide staff analysis of policy and program issues for congressional staff and department decisionmakers; conduct research on the structure, conduct, and performance of selected markets for specialty crops and disseminate the results in bulletins, reports, briefings, and speeches; revise and construct cost-of-production estimates for flue-cured and burley tobacco, onions, citrus, and sugarcane and sugar beet production and processing; conduct a survey and structural analysis of the beekeeping industry; and summarize special census data tabulations on produce and floriculture commodities.

The **Food Marketing and Consumption Economics Branch** is responsible for research, situation and outlook reporting, staff analysis, and development of economic and statistical indicators on the food marketing system from producer to consumer.



In 1990, the branch plans to explore economic issues related to the food marketing system in several reports, including analyses of food store price variations, international activities of food marketing firms, farm-to-retail price relationships, derived demand for nonfarm marketing inputs, and the development of systems models of the food marketing sector; conduct several studies to examine the economics of food safety—costs of foodborne illness, role of risk in food safety, and an assessment of how marketing firms respond to food safety issues; examine the relationships between food assistance program participation and food choices, expenditures, and quality of diet; focus consumer demand studies on how different economic and sociodemographic groups adjust their food consumption in response to changes in food prices, incomes, advertising, and general inflation; contribute to division and agency outlook information objectives by publishing statistics on and analysis of food marketing, food consumption, food prices, and food marketing costs in regularly scheduled outlook reports as well as in other outlets such as *Agricultural Outlook* and *National Food Review*; make several electronic data bases available to the public; and cooperate with the Crops Branch to prepare several publications that will show how the use of futures and options markets in place of price support programs might affect Government outlays, prices, and farm income levels and variability.

**The Commodity and Trade Analysis Branch** is responsible for collecting, analyzing, and disseminating information on U.S. and international trade in program crops; monitoring and analyzing developments in U.S. and foreign food aid and export promotion programs; conducting applied research and staff analyses on the factors affecting the demand for U.S. exports and imports; and serving as the primary focal point for the interaction between CED, ATAD, Foreign Agricultural Service, and the World Agricultural Outlook Board with respect to world trade in major crops and trade policy issues.



In 1990, the branch plans to increase research on food aid and export promotion programs in order to be prepared to conduct staff analyses associated with options for farm and trade legislation; initiate a reference center for trade program information; initiate exploratory work on developing data bases for ocean freight rates and exports under credit guarantee programs; publish a statistical bulletin on U.S. fruit and vegetable imports; work with the Foreign Agricultural Service, Agency for International Development, and Agricultural Stabilization and Conservation Service to establish a new data base for food aid and export assistance programs; complete a study of world commodity markets; improve the planning, scheduling, processing capabilities, and analytical content of the *Baseline*; publish 8 *Foreign Agricultural Trade of the United States* reports (plus monthly newsletter supplements) and 4 *Outlook for U.S. Agricultural Exports* reports; and contribute analyses and/or articles for *Agricultural Outlook*, *Farmline*, the monthly *Food and Agricultural Outlook Update*, *World Agricultural Supply and Demand Estimates*, *World Agriculture Situation and Outlook Reports*, and commodity situation and outlook reports.





Christian Foster



## **Agriculture and Trade Analysis Division**

**T**he Agriculture and Trade Analysis Division (ATAD) is a major source of expertise, data, models, and research information about agricultural economies and policies of foreign countries, agricultural trade and development relationships between foreign countries and the United States, and U.S. agricultural policies.

The topics covered by ATAD include agricultural and trade policies and their relationship to the economic, technical, and political factors affecting agricultural trade among countries; economic and agricultural market structure, efficiency, and production systems of foreign countries; technical production systems of foreign countries; and foreign governments' production, consumption, monetary, and trade policies.

In 1990, ATAD plans to evaluate U.S. agricultural policies, including issues related to the 1990 farm bill; analyze government support for agriculture in key foreign countries; assess options for agricultural policy reform in the United States and other countries as related to ongoing GATT negotiations; examine the implications of a more integrated European Community ("EC-1992") on U.S. and world agricultural



markets; examine the linkages between livestock and feed subsectors and derived import demand for feed; assess the interaction of various countries' basic resource endowments and government policies in influencing structural change, resource use, and levels of output; and assess the effects of Third World debt and various macroeconomic policies on the demand for U.S. agricultural exports.

ATAD comprises six branches—U.S. Agricultural Policy; Developing Economies; Agricultural and Trade Policy; Developed Market Economies; Centrally Planned Economies; and Agricultural and Trade Indicators.

The United States Agricultural Policy Branch serves the division and agency by integrating cross-commodity, domestic, and foreign-market issues and providing an indepth assessment of agricultural policy issues. The branch provides economic evaluations of domestic agricultural policy and program alternatives, assessments of the implications of changes in the foreign environment on the United States, and monitoring of domestic, international trade, and policy developments; examines the agricultural sector, at both the national and regional levels, and commodity markets to provide greater understanding of how alternative domestic agricultural policies and programs affect sector performance; evaluates Government program costs and effectiveness; studies the influence of changes in the foreign environment on U.S. agriculture; and develops, maintains, and uses economic models, data bases, and textual information to evaluate policy, program, and regulatory alternatives, as well as the effects of actual and/or potential changes in the policy environment.

In 1990, the branch plans to focus on current policy (Food Security Act of 1985, as amended) issues influencing the debate on the 1990 farm bill; potential trade agreements and other legislative issues (drought, GATT, decoupling, trade reform, environment, and budget reconciliation); farm sector issues



(Government costs); and domestic and international agricultural policy developments.

**The Developing Economies Branch** conducts analyses of economic issues affecting the agricultural sectors of developing countries. Investigations focus on price, supply, demand, trade, and policy relationships of developing countries and the linkage to the more developed industrial countries, especially the United States. The branch monitoring and research activities provide critical information to decisionmakers via situation and outlook analyses, research reports and articles, and unpublished staff analyses on trade and trade policy, economic aid, development, and international monetary and financial considerations.

In 1990, the branch plans to monitor the economic situation in selected developing countries, specify key economic relationships, and assess the impacts of changing trade patterns and policies on the welfare of the farm and food sectors of the commercial-trade-oriented developing countries; monitor the economic outlook of noncommercial trade, evaluate the shifting roles of aid-dependent countries on world agricultural markets and trade, measure the expected needs and availabilities of food aid, and assess the potential uses of food aid for economic growth and development of food-aid-dependent countries; and focus on key monetary and financial determinants of economic growth and trade and assess the public policies that affect country and commodity competitiveness, economic growth, and commercial trade.

**The Agricultural and Trade Policy Branch** provides an integrated view of the world economy and world agriculture as it relates to U.S. agriculture and U.S. agricultural trade. The branch conducts research and provides staff analyses on international agricultural, economic, and trade policies that affect world and U.S. agricultural trade; conducts research and analysis of the effects of international economic and agricultural conditions on world agricultural trade, with emphasis on U.S. agricultural competitiveness; provides



projections and analyses of U.S. agricultural trade, as affected by major changes in agricultural, economic, and trade policies; and provides an inventory and cross-country analyses of agricultural and trade policies that affect world and U.S. agricultural trade.

In 1990, the branch plans to continue work on trade liberalization issues in support of U.S. participation in the multilateral trade negotiations, but shifting its focus toward assessment of longer term forces affecting U.S. agriculture and agricultural trade; analyze trade liberalization that focuses on decoupling of European Community policies, potential U.S.-EC policy tradeoffs in the multilateral trade negotiations, and the implications of trade liberalization for developing countries and for U.S. trade strategies; analyze longer term international influences on U.S. agriculture dealing with the competitiveness of U.S. and Australian agriculture, implications of policy changes on ownership and control of global grain stocks, trade reform, and longrun comparative advantage, effects of reforms in centrally planned economies on world markets, potential feed grain use in the European Community in light of alternative policies related to 1992 integration, and the implications for U.S. policies of the organization and performance of world food systems; and update the cross-country inventory of policy interventions (including producer subsidy equivalents/consumer subsidy equivalents), broadened in coverage, and used to construct indicators designed to be of assistance to both branch and regional analysts in studying policy intervention, including a branch assessment of the potential impacts of alternative policies on world commodity prices.

**The Developed Market Economies Branch** provides research, analysis, and outlook reporting on issues affecting agricultural performance, policy, and trade for Western Europe, Canada, Australia, New Zealand, and the developed East Asian countries of Japan, South Korea, Taiwan, and Hong Kong.



In 1990, the branch plans to work in the general areas of trade liberalization and policy analysis, supply and demand analysis for major commodities, and current monitoring of agricultural, trade, and policy developments; update producer subsidy equivalent/consumer subsidy equivalent calculations through 1989 for the European Community, Japan, Canada, Australia, New Zealand, South Korea, and Taiwan; undertake a major study of the implications of "EC-1992" on European Community agriculture and trade, primarily with branch resources supplemented by resources from other units and outside the agency; analyze other policy issues including market liberalization effects on the farm sector in New Zealand, consequences of Japan's beef and citrus market liberalization on Japan, Australia, and the United States, and progress in implementation of the U.S.-Canada Free Trade Agreement; help plan and participate in the International Agricultural Trade Research Consortium's 1990 summer meeting on Pacific Rim agriculture and trade; build on the ongoing agency *Baseline* project; complete and update spreadsheet models for all the developed markets and adapt them for short-turnaround staff analysis; and report market and policy developments of the developed markets in scheduled situation and outlook reports, formal briefings, informal public contacts and in the branch's annual *Western Europe* and *Pacific Rim Agriculture and Trade Reports*.

The **Centrally Planned Economies Branch** is the major U.S. Government source of analysis on the agricultural economies and trade of China, Eastern Europe, and the U.S.S.R. Because of the political importance of this group of countries, the state of flux of their political and economic reforms, the relative inaccessibility of data on agriculture and trade, and the variability of their agricultural imports, the research, short-term outlook, staff analysis, and data base development responsibilities of the branch require substantial resources to monitor and interpret the changes in economic, political, and harvest situations. Knowing the languages, the branch provides analysis based on



Division                      Branch

### **Commodity Economics Division**

Situation and Outlook  
 Coordination Staff  
 Livestock, Dairy, and Poultry Branch  
 Crops Branch  
 Specialty Agriculture Branch  
 Food Marketing and Consumption  
 Economics Branch  
 Commodity and Trade Analysis Branch  
 Office of the Division Director

Total

### **Agriculture and Trade Analysis Division**

United States Agricultural Policy Branch  
 Developing Economies Branch  
 Agricultural and Trade Policy Branch  
 Developed Market Economies Branch  
 Centrally Planned Economies Branch  
 Agricultural and Trade Indicators Branch  
 Office of the Division Director

Total

### **Resources and Technology Division**

Agricultural Inputs and Production  
 Systems Branch  
 Land and Capital Assets Branch  
 Resource Policy Branch  
 Water Branch  
 Resource Indicators Branch  
 Office of the Division Director

Total

### **Agriculture and Rural Economy Division**

Farm and Rural Economy Branch  
 Farm Sector Financial Analysis Branch  
 Finance and Development Policy Branch  
 Human Resources and Industry Branch  
 National Economy and History Branch  
 Office of the Division Director

Total



# Resources

## Funds                      Staff-years

*Million dollars                      Full-time equivalents*

0.4	9
1.9	35
2.0	36
1.3	27

2.0	41
1.2	28
.8	15

9.6	191
-----	-----

1.3	26
1.6	32
1.0	20
1.3	26
.9	17
1.2	24
.5	11

7.8	156
-----	-----

1.1	22
1.0	22
1.1	22
1.0	22
1.1	23
4.1	10

9.4	121
-----	-----

1.3	25
4.2	40
1.4	27
1.8	34
1.4	29
.6	14

10.7	169
------	-----



original source information from these countries to policymakers and the public.

In 1990, the branch plans to work on data base development and analyses of policy, supply, and demand factors affecting trade; update *China's Agricultural Statistics of the People's Republic of China* and *Agricultural Statistics of Eastern Europe and the Soviet Union*; make available for sale on diskette new data bases on Eastern European trade by destination and origin, U.S.S.R. oilseed balances, indicators of the Soviet food and agricultural situation, and U.S.S.R. prices, as well as update other electronic data bases available to the public; monitor the changing domestic market and price reforms and report on them in the branch's bimonthly *Centrally Planned Agriculture* report, and in the annual *China and U.S.S.R. Agriculture and Trade Reports*, in various USDA publications, and in books and journals; report on integrated analysis of supply and demand factors as they affect the foreign agricultural trade of these countries in numerous USDA global reports and analyses; produce research monographs in 1990 including a study of China's wheat economy, Soviet prices and marketing, and the Hungarian economic reform in agriculture; continue work on the changing state trading institutions of the centrally planned economies, and publish preliminary estimates of producer and consumer subsidy equivalents and other measures of the extent by which domestic prices and opportunity costs differ from world prices; publish a report examining the effects on world agricultural trade of ongoing reforms using ERS's SWOPSIM model; and continue professional contacts and collaboration with economists in China and Eastern Europe and expand cooperation with the Soviet Union, particularly with institutes doing trade research.

**The Agricultural and Trade Indicators Branch** conducts research to identify, develop, maintain, and analyze indicators of the global agricultural sector and its relationship to the general economy. Efforts center on indicators and economic relationships that determine global input use, agricultural sector supply,



agricultural sector structure, productivity, demand, consumption patterns, and self-sufficiency, trade levels, market share and competitiveness. Secondary objectives of indicator development activities are to improve data quality, comparability, and availability through liaison with primary data providers, and to maintain a comprehensive data base. The branch also monitors and reports on international macroeconomic conditions.

In 1990, research will continue on the development of international comparisons of productivity, internal terms of trade, agricultural self-sufficiency, and exchange rate indices; development of commodity trade matrices and the analysis of trade in high-value and processed products; identification and documentation of input policies and the measurement of trade distortions arising from the input policies; analysis of international macroeconomic conditions to support outlook and *Baseline* activities; and the *World Agricultural Trends and Indicators* report (second edition) will be updated and enhanced during the year.





USDA



## **Resources and Technology Division**

**T**he Resources and Technology Division (RTD) provides economic analyses of agricultural resource and technology issues at both national and regional levels.

Information is developed through integrated research, staff analysis, and situation and outlook reporting activities that focus on the environmental impacts of agriculture, their economic costs to society, and the costs to agriculture of policies and programs to control them; the availability, use, and cost of agricultural resources as affected by domestic and international policies, programs, and macroeconomic variables; the impacts of these factors on the use and value of land and other agricultural resources and the possible impacts of proposed or anticipated policy and program changes; agricultural production processes' environmental impacts beyond the confines of the farm, especially on water quality; supply, demand, and price relationships, substitutability, and productivity of resources, including capital equipment, fertilizer, pesticides, and energy, as well as the natural resources, such as land and water; and the adoption and transfer of new technologies, the economic impacts of regulating agricultural practices and inputs, and the tradeoffs associated with lower input agricultural systems.

In 1990, RTD will focus on a number of issues including new legislative proposals designed to achieve a broad range of agricultural, trade, environmental, and sustainability goals as well as eliminate inconsistencies in current policies and programs; potential policies and programs for their impacts on resource use, costs and productivity, environmental quality, and technology adoption; and alternative schemes for protecting surface and ground water quality from agricultural chemicals. RTD will reestablish the pesticide use data base and use existing data on pesticide and fertilizer use, soil characteristics, and tillage practices to analyze the costs of measures to reduce or eliminate potential problems; assess the impacts of global climate change and new technologies; assess economic impacts and policy tradeoffs, identifying policy issues, exploring regulatory and safety issues, and analyzing economic risk; continue to publish the latest information on land use and values, water availability and use, soil conservation activities and program participation, and supply, demand, and prices of manufactured inputs, including fertilizer, pesticides, energy, and farm machinery in situation and outlook reports; and continue analyses of the resource and technology implications of low-input or sustainable agriculture, the impacts of regulatory actions on agricultural chemical use, competing demands for water and assessment of alternative allocation methods for meeting those demands, and possible effects of domestic and international resource and environmental programs on international comparative advantage and resulting agricultural trade flows for both inputs and outputs.

The Resources and Technology Division consists of five branches—Agricultural Inputs and Production Systems; Land and Capital Assets; Resource Policy; Water; and Resource Indicators.

**The Agricultural Inputs and Production Systems Branch** conducts an integrated research, staff analysis, and situation and outlook reporting program that addresses input use and markets, effects of technology on input use, and public policies and programs that affect input use. Specific objectives include analyzing supply, demand, and prices for



manufactured inputs used in agriculture; evaluating the productivity of agricultural inputs, given alternative agricultural management systems; analyzing the effects of domestic farm policies and international trade on input industry structure and performance; assessing the effects of pesticide regulations on input use and on the productivity of U.S. agriculture; and evaluating the national and regional economic implications of Federal and State programs designed to provide human health and environmental protection.

In 1990, the branch plans to continue situation and outlook reports and analyses for selected inputs; analyze input use and factor substitution; publish analyses of the potential impacts of EPA pesticide regulations on agriculture and consumers, including studies on triazines and carbofuran; evaluate low chemical input use practices, crop rotation, and input substitution possibilities in relation to profitability and water quality; and study implications of changes in Federal and State laws and regulations concerning chemical residue levels in food for consideration in pesticide regulation.

**The Land and Capital Assets Branch's** research, staff analysis, and situation and outlook reporting program is organized according to ownership, use, adjustments, and value. The branch monitors the Nation's land and resource base and analyzes the interrelationships between land resources, economic returns to food and fiber production, and the competition for agricultural land. The branch studies agricultural land prices, cropland rent, and land-use consequences of farm program reforms, trade liberalization, resource conservation, and water quality programs. Particular emphasis is placed on the distributive and regional consequences of public actions as they affect land allocation, factor earnings, and the functional distribution of income between farm operators and landowners.

In 1990, the branch plans to analyze the impacts of agricultural policy reform on land use, location of crop production, and prices; refine regional land price models to facilitate analysis of the distributional effects of policy reform; analyze the feasibility of a permanent

wetland reserve; analyze alternative conservation provisions for the 1990 farm bill and crop acreage and production adjustments to low-input, sustainable agriculture; analyze 1987 Census of Agriculture data on agricultural tenure and begin analysis of landownership, resource use, and farm asset data from the 1988 Agricultural Economics and Land-ownership Survey; analyze economic and demographic factors influencing agricultural land use in urbanizing areas, including the effects of land use conversions on overall soil quality and agricultural productivity; and summarize and report to Congress annual data on foreign investment in U.S. agricultural land.

The **Resource Policy Branch** evaluates the economic implications of and relationships among agricultural, natural resource, environmental, and technology policies. Branch economists prepare research reports and staff analyses on domestic policy developments and international activities that have an impact on U.S. agriculture and ultimately affect resource environment and technology values and allocations. These short- and long-term analyses are important inputs to the policy decision process. Moreover, the study results support situation and outlook reporting activities and the overall RTD and ERS research programs. Because the policy issues of interest often span multiple resource and technology areas, the branch plays a key role in cross-branch issues within RTD and across ERS divisions.

In 1990, the branch research activities will focus on the effects of alternative conservation and environmental provisions in the 1990 farm bill, ranging over ground water quality, wetlands protection, Conservation Reserve Program reorientation, low-input agriculture, and increased program flexibility; commodity program reform effects on resources and technology at the international, national, regional, and subregional levels to capture the wide-ranging impacts on natural, technological, and environmental resources; and the potential impacts of alternative ground water quality policies, from conceptual, geographic variability, and regional policy development viewpoints.

The **Water Branch** monitors and analyzes the demand for and supply of water, including

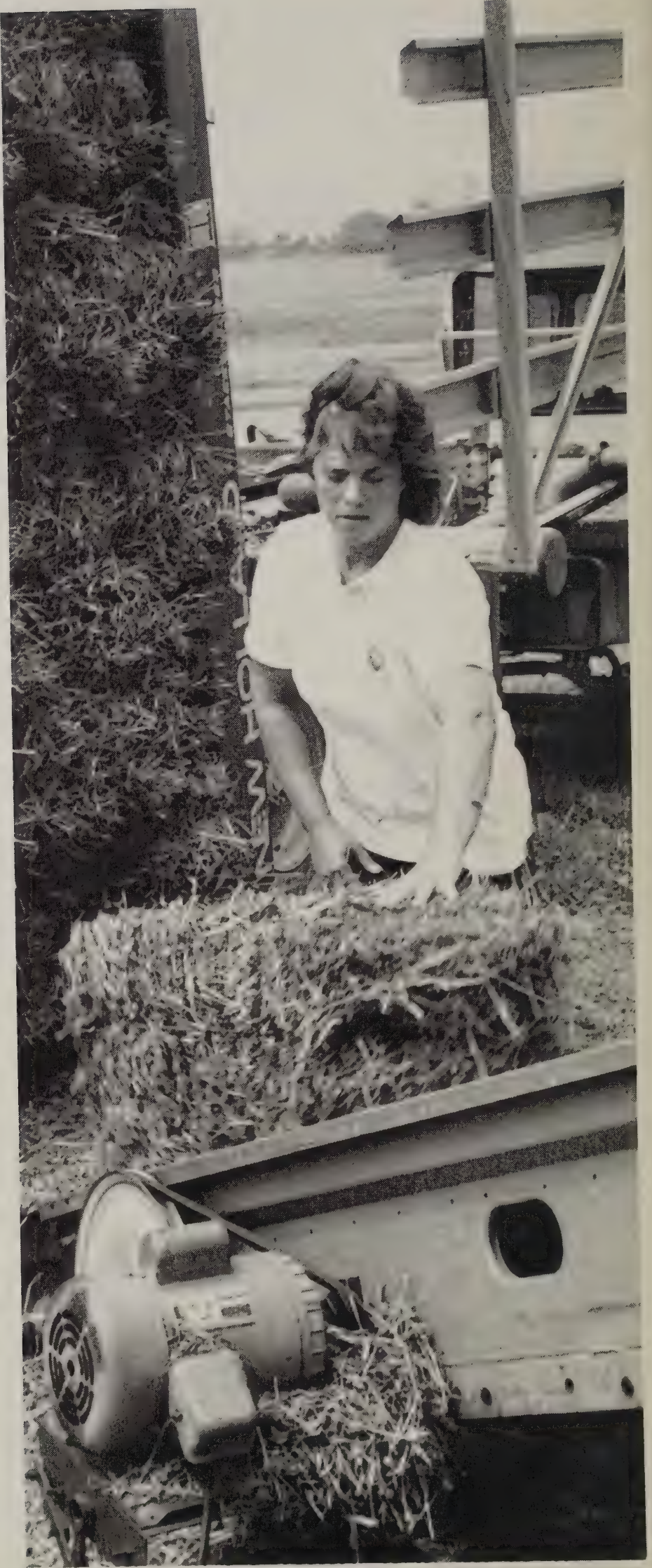


economic consequences of private and public actions to shift demand and supply; impacts of agricultural practices on soil and water conservation and quality; impacts of environmental quality regulations on agriculture; and adoption of conservation practices and their implications for soil and water uses. These activities cover shortrun and longrun conditions, trends, and responses to policies at national and regional levels.

In 1990, the branch will continue to develop and maintain national irrigation and water use data for the estimation of regional water demand functions and assessment of the nature, extent, and consequences of competition for water supplies. This activity includes cooperation with several universities on analyses of current and prospective water markets, transfers, and alternative technologies and institutions for adjusting water allocation between farm and nonfarm sectors. The branch will continue to study the economic effects of agricultural practices on water quality as they affect both farm and nonfarm economies and continue its assessment of the physical and economic dimensions of surface and ground water contamination from animal wastes, fertilizers, and pesticides.

The **Resource Indicators Branch** centralizes the design, development, and conduct of all surveys and data collection efforts in the division. Productivity measurement as well as research and technology assessment activities are conducted in this branch. In addition, a new area of work that is growing in importance, Geographic Information Systems (GIS), is being addressed.

In 1990, the branch plans to commence development of improved data bases on pesticides, fertilizers, and related production practices in support of the USDA Water Quality Initiative; analyze research and development effects on agricultural input use, technical change, and productivity growth; develop longrun projections in support of the Resource Conservation Act and Resource Planning Act activities; investigate changes in agricultural productivity; and explore alternative GIS to identify the most appropriate alternatives for combining multiple data sources for more comprehensive policy analysis.



Patricia F. Singer



## **Agriculture and Rural Economy Division**

**T**he Agriculture and Rural Economy Division (ARED) conducts a program of research to increase understanding of national and regional trends in agriculture and rural areas.

ARED collects and analyzes information on economic conditions, identifies economic problems, and supplies information to help assess options for rural and agricultural programs and policies. ARED's agenda is shaped by changes in the economic and demographic structure of agriculture and rural America. Its program covers the industrial transformation of the rural economy; interactions of agriculture and the rural economy with the Nation's economy as a whole; differences in economic performance of urban and rural areas; the performance of the farm sector and its components; the effects of increasing international economic and financial integration; migration and population change; rural and agricultural labor markets and labor conditions; and the implications of the changing organizational structures of farming, credit, and finance.

In 1990, in keeping with USDA's Rural Revitalization Initiative, ARED plans to evaluate several of the major strategies and programs frequently proposed to stimulate rural economic development, examining

education, business assistance, financial market interventions, and infrastructure strategies; prepare an indepth history of USDA rural development policy; study the effects on rural areas of financial market deregulation; describe and analyze trends in economic sectors where rural people may be employed, the skill demands of jobs in expanding sectors, and trends in the skill profiles of rural workers; explore the rural consequences of the Family Support (workfare) Act; survey and describe State farm credit programs as required by the U.S.-Canada Free Trade Agreement; update and expand the knowledge of farm sector structure and differential costs of production of major commodities to provide a wider information base for the design of the 1990 farm bill and the debate that will accompany its consideration; and undertake a history of agricultural trade and trade relations between the United States and the European Community.

ARED comprises five branches—Farm and Rural Economy; Farm Sector Financial Analysis; Finance and Development Policy; Human Resources and Industry; and National Economy and History.

The Farm and Rural Economy Branch conducts a program of research, current intelligence, and staff analysis on the changing structure of the farm sector, farm labor markets, well-being of persons working in farming, and economic ties between farming and other sectors in rural communities and regions. Farm structure research includes consolidating and assessing current information on farm numbers and size distributions, ownership and control of resources and factors of production, organization of farm production, and projecting the future structure of agriculture under alternative economic conditions and policy scenarios. Farm labor market research includes factors affecting the demand for and supply of agricultural employment, characteristics of the agricultural workforce, and the economic well-being of persons associated with agriculture. Research on community ties emphasizes the connection



between the farm sector and farm-related businesses in farm-based communities and regions of the United States. Special attention is given to assessing the vulnerability of rural economies to major adjustments in the structure of agriculture and agricultural policies.

In 1990, the branch plans to analyze and project regional and national farm structure changes, especially the effects of the farm recession in the 1980's, using the recently released 1987 Census of Agriculture and the Census Bureau's longitudinal farm data files; complete a county and regional delineation of types-of-farming areas of the United States and analyze differences in the economic performance of the farm sector, farm-related industries, and the overall economy for each type-of-farming area; integrate IMPLAN (IMpact analysis for PLANing, a microcomputer-based system for constructing regional economic accounts and input-output models) into the branch's community impact assessment capability, and experiment with expanding the model's wholesale and retail trade component to better delineate farm-related industries; estimate the need for agricultural labor in 1991 (as required by the Immigration Reform and Control Act of 1986), in cooperation with the National Agricultural Statistics Service, by developing a farm labor model to estimate the elasticities of supply of and demand for farm labor to be used in research and staff analysis; and analyze data obtained from longitudinal farm surveys cooperatively undertaken in Ohio, Kentucky, and Wisconsin.

**The Farm Sector Financial Analysis Branch** researches and analyzes U.S. farm sector financial performance. Elements include development of USDA's farm economic statistics: income, assets, liabilities, and commodity costs of production; measurement of financial performance of farm businesses by commodity and other structural characteristics; assessment of commodity costs and returns; measurement of production efficiencies; and measurement of farm operator household financial well-being. The branch provides information on the current

finance situation and outlook, assessing how Government policies and economic factors affect the level and distribution of income and wealth among farm enterprises, businesses and households, and among geographic areas. The branch collects data on how changes in farm organization and structure affect the conceptual basis of economic statistics and financial performance measures developed for the sector and its participants.

In 1990, the branch plans to estimate the cumulative distribution of costs of producing wheat, feed grains, cotton, and rice; measure variations in the costs of producing major crops by characteristics of farm businesses and areas of the United States; analyze the financial well-being of farm operator households, including developing estimates of household incomes; develop more accurate information on the distribution of income and wealth in the agricultural sector, including the role of contractual arrangements; analyze farm operator household flows of inputs (labor and capital provided by operator, spouse, and others) and earnings from farming; describe farm operators who purchased farm real estate in 1989; measure the distribution of Government commodity program payments in relation to farm and household characteristics; and estimate a value-added economic statistics series for U.S. agriculture and compare the distribution of farms using alternative classification systems. The ongoing base program of the branch will include preparing, interpreting, and disseminating economic indicators for the farm sector; publishing the *Agricultural Income and Finance Situation and Outlook Report* on a quarterly basis and incorporating financial analyses into *Agricultural Outlook*, *Farmline*, and other conference and media outlets; designing and conducting the Farm Costs and Returns Survey to obtain enterprise, firm, and household financial performance and structural data; and analyzing the financial performance of farm businesses by characteristic and geographic location.

The Finance and Development Policy Branch is responsible for analyzing financial market



developments and changes in Federal tax law to determine their likely consequences for agriculture and rural economies and for analyzing the effectiveness of alternative Government programs in fostering rural economic development; evaluating current and alternative Federal credit assistance programs, innovations in agricultural lending practices, and the structure and performance of financial institutions serving the agricultural sector; reporting and analyzing data on rural government finances and services and assessing the effectiveness of rural economic development strategies; monitoring and analyzing the structure and performance of financial markets serving rural businesses, households, and governments; and assessing the importance of changes in Federal tax policy for income distribution, capital formation, and resource allocation within the farm and rural economies.

In 1990, the branch plans to initiate several studies on the effects of recent U.S. farm credit policies on the agricultural sector, such as the Agricultural Credit Act of 1987, requiring USDA to institute a new secondary market for FmHA-guaranteed loans and to report annually on the market's operations; work with FmHA staff to develop the data bases and reporting procedures needed to assess the market's impact on farm credit; complete a survey of State farm credit programs and initiate an assessment of the various methodologies for estimating credit subsidies; continue to monitor Government programs and resources for providing services and facilities in rural areas and evaluate the success of infrastructure and entrepreneurship programs as rural development strategies; continue its program of applied economic research on rural credit and tax policy issues; complete an indepth analysis of Federal intervention in financial markets; research the rural effects of geographic and product market deregulation and the recapitalization of the thrift industry; work on the finance needs of rural businesses and Federal credit programs aiding them; and produce a comprehensive review of recent tax policies and their effect on the agricultural

sector, updating information last published in 1981.

**The Human Resources and Industry Branch** monitors trends in rural population, employment, and income. Research focuses on the rural population and how its characteristics and organization relate to its well-being. A central purpose is to understand the distributional effects of national socioeconomic trends and policies on rural areas and people.

In 1990, the branch plans to continue annual reports on the farming population by occupation and income sources; compare the farm and rural populations in and outside of metro areas; analyze recent rural-urban and regional migration trends, particularly of both the poor and the better educated; investigate the importance of rural family structure for earnings, labor force participation of young adults, and careers of men and women; relate labor market industry characteristics to family structure; initiate quarterly reports on rural unemployment, employment, and industry as part of the division's new *Rural Conditions and Trends* series; study the constraints on and opportunities for rural manufacturing growth, particularly with respect to telecommunications; determine the importance of small business to recent rural employment change; analyze the changing importance of education for both rural worker earnings and rural area employment growth and stability; investigate current problems of rural job displacement; identify potential future problems in the match between rural worker skills and the types of jobs being created in the economy; identify numbers and types of workers likely to be affected by minimum wage legislation; publish a study of the working poor in rural areas; analyze the likely consequences of the 1988 Family Support (workfare) Act in rural areas; update the economic- and policy-based typology of nonmetro counties and analyze the diversity of rural county experiences; investigate recent economic change in the rural "Black Belt"; and investigate differences in longrun rural income trends by region.

**The National Economy and History Branch** analyzes current agricultural and rural issues



from the view of the U.S. and world economies and provides a historical view on the forces shaping those economies. Major areas of analysis include the impacts of monetary and fiscal policies on agriculture and rural areas, macroeconomic impacts of developments in the farm and rural economies, and the general economic outlook. The branch studies the linkages among sectors of the rural economy and between rural sectors and the general economy; evaluates the performance of the food and fiber system relative to other sectors; keeps the agricultural portion of the national input-output accounts; and maintains data and provides analyses of the history of agricultural policies and programs, studies the history of USDA, and analyzes the history of economic change and its impacts on farm structure and rural life.

In 1990, the branch will continue to provide macroeconomic situation and outlook reporting, research, staff analyses, and historical support; improve the data base and integrate the short-term forecasting work with USDA's *Baseline* process; focus on models of the interaction between the general and agricultural economies, with the objective of better integrating the macro forecasting process with the overall agricultural outlook; add more sector detail to the computable general equilibrium (CGE) models, explore alternative approaches to CGE modeling, and use these models to analyze the impacts of major farm and trade policy changes on the farm and rural economies; update the base of input-output models; expand regional input/output analysis capabilities, which will also continue time-series analyses of relationships between commodity prices and the general economy; and expand work on relationships between the national economy and the rural, nonfarm economy. The branch will complete a history of agriculture and the 1890 system under a cooperative agreement commemorating the 100th anniversary of the 1890 universities; complete the administrative history of USDA since 1961; and undertake two major policy histories: a comprehensive history of rural development policies and a study of U.S.-EC agricultural trade relations.



## Economic Research Service

**John Lee**, Administrator . . . 786-3300, Rm. 1226  
**Bob Robinson**, Associate  
Administrator . . . . . 786-3302, Rm. 1226  
**Milton Ericksen**, Senior Staff  
Analysis Coordinator . . . . 786-3309, Rm. 1226  
**Bruce Greenshields**, Assistant  
Administrator . . . . . 786-3310, Rm. 1212

## Commodity Economics Division

**Patrick O'Brien**, Director . . 786-1880, Rm. 1132  
**Anthony Grano**, Associate  
Director . . . . . 786-1880, Rm. 1132  
**Donald Seaborg**, Deputy  
Director for Situation and  
Outlook . . . . . 786-1880, Rm. 1132  
**Lorna Aldrich**, Deputy Director  
for Staff Analysis . . . . . 786-1880, Rm. 1132  
**Robert Bohall**, Chief,  
Livestock, Dairy, and Poultry  
Branch . . . . . 786-1284, Rm. 837  
**Mack Leath**, Chief, Crops  
Branch . . . . . 786-1840, Rm. 1034  
**Frederic Hoff**, Chief, Specialty  
Agriculture Branch . . . . . 786-1883, Rm. 1240  
**Lester Myers**, Chief, Food  
Marketing and Consumption  
Economics Branch . . . . . 786-1860, Rm. 1124  
**Ronald Trostle**, Chief,  
Commodity and Trade  
Analysis Branch . . . . . 786-1820, Rm. 1024

## Agriculture and Trade Analysis Division

**Kelley White**, Director . . . . 786-1700, Rm. 732  
**John Dunmore**, Associate  
Director . . . . . 786-1700, Rm. 732  
**Mathew Shane**, Deputy  
Director . . . . . 786-1700, Rm. 732  
**William Kost**, Assistant  
Director . . . . . 786-1700, Rm. 732  
**Harry Baumes**, Chief, United  
States Agricultural Policy  
Branch . . . . . 786-1689, Rm. 724  
**Gene Mathia**, Chief, Developing  
Economies Branch . . . . . 786-1680, Rm. 734  
**Vernon Roningen**, Chief,  
Agricultural and Trade Policy  
Branch . . . . . 786-1630, Rm. 624  
**William Coyle**, Chief,  
Developed Market Economies  
Branch . . . . . 786-1610, Rm. 637



**Kenneth Gray**, Chief,  
Centrally Planned Economies  
Branch . . . . . 786-1620, Rm. 628

**Edward Overton**, Chief,  
Agricultural and Trade  
Indicators Branch . . . . . 786-1705, Rm. 828

## Resources and Technology Division

**John Miranowski**, Director . . 786-1455, Rm. 524

**Vacant**, Associate Director . . 786-1448, Rm. 524

**John Reilly**, Deputy Director  
for Technology . . . . . 786-1450, Rm. 524

**Vacant**, Deputy Director for  
Policy Research and Staff  
Analysis . . . . . 786-1449, Rm. 524

**Vacant**, Assistant Director . . 786-1449, Rm. 524

**John Schaub**, Chief, Agricultural  
Inputs and Production  
Systems Branch . . . . . 786-1469, Rm. 424

**Robert Boxley**, Chief, Land and  
Capital Assets Branch . . . 786-1419, Rm. 408

**David Ervin**, Chief, Resource  
Policy Branch . . . . . 786-1401, Rm. 508

**William Hyde**, Chief, Water  
Branch . . . . . 786-1410, Rm. 534

**Vacant**, Chief, Resource  
Indicators Branch . . . . . 786-1455, Rm. 524

## Agriculture and Rural Economy Division

**Kenneth Deavers**, Director . . 786-1530, Rm. 314

**Richard Long**, Associate  
Director . . . . . 786-1530, Rm. 314

**David Harrington**, Deputy  
Director for Agriculture . . . 786-1520, Rm. 328

**Norman Reid**, Deputy Director  
for Rural Development . . . 786-1520, Rm. 328

**Sara Mazie**, Assistant  
Director . . . . . 786-1520, Rm. 328

**Thomas Carlin**, Chief, Farm  
and Rural Economy Branch 786-1527, Rm. 212

**James Johnson**, Chief, Farm  
Sector Financial Analysis  
Branch . . . . . 786-1800, Rm. 937

**Patrick Sullivan**, Chief,  
Finance and Development  
Policy Branch . . . . . 786-1719, Rm. 824

**David McGranahan**, Chief,  
Human Resources and  
Industry Branch . . . . . 786-1532, Rm. 340

**Thomas Hady**, Chief,  
National Economy and  
History Branch . . . . . 786-1780, Rm. 924



United States Department of Agriculture  
Economic Research Service, Room 1212  
1301 New York Avenue Northwest  
Washington, DC 20005-4788

---

Address Correction Requested  
Forwarding Postage Guaranteed